

Defense Commissary Agency streamlines return check process

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New streamlined processing procedures for returned checks are viewed as a win-win situation for commissary shoppers and for store employees looking for better ways to provide customer service.

Shoppers win because the new centralized returned-check

processing doesn't affect the way they write checks.

Commissary employees win because the process eliminates the return to the commissary of all paper checks for insufficient funds.

Returned checks normally routed back to commissaries for collection are instead routed to a centralized processing site run by a business that has success-

fully performed this service for a variety of businesses that process a high volume of transactions, said Pam Conklin, DeCA's chief financial executive.

Instead of commissary employees having to contact customers who wrote insufficient-fund checks, the centralized processor electronically deducts the amount of the checks from

the customers' checking accounts and starts procedures to assess the insufficient fund administrative fee. These deductions have a high success rate because pay cycles have sufficiently replenished customers' accounts to cover the checks.

This more efficient process, which doesn't cost customers any more money in insufficient-fund service charges, standardizes

redemption processes within commissaries and allows store employees to devote more time to customer service, said Conklin, who called it a "win-win situation."

A handful of continental U.S. commissaries initiated the process in 2003, and last year European stores came on line. Remaining stateside stores and commissaries in the Far East and

Iceland wrapped up worldwide implementation in November 2005.

The new process results from a collaborative effort between DeCA, the Defense Finance and Accounting Service, the U.S. Department of Treasury, Bank of America and Solutran, the firm that provides the returned check processing services.

Frequently asked questions

1. Who can I call at the Defense Commissary Agency if I have questions on the status of my account with the centralized processor?

Questions about the program and the collection process on the account can be addressed to the Agency's customer service liaison, Judy Blair or J.D. Littman, toll free at 1-866-893-5015. Their e-mail addresses are judy.blair@deca.mil, john.littman@deca.mil or rcmprogram@deca.mil. Customers may contact Blair or Littman between 6 a.m. and 6:30 p.m. Eastern Time, Monday through Friday. Customers should allow five to seven business days for the check to reach the processing center.

2. How is the money taken from my checking account?

The central processing center will use Represented Check Entry (RCK), which utilizes the Automated Clearing House (ACH) network to transmit ACH debit transactions to a customer's bank once a check has been returned for insufficient or uncollected funds.

3. Is this legal?

Yes, it was approved by NACHA (National Automated Clearing House Association) in 1998 and the Code of Federal Regulations (31 C.F.R. Part 210).

4. Do I need to be notified of an RCK transaction?

Notice is required to be posted at the point of sale stating that in the event that a check returns for insufficient or uncollected funds, it may be converted to an electronic format for representation.

5. Can I be charged a service fee on RCK items?

Yes, because the check was originally cashed as a paper item, the transaction is viewed as a Uniform Commercial Code transaction and thus the ability to charge a service fee is legal. The collection for the administrative fee will be implemented during the deployment of the new program.

6. How will this appear on my bank statement?

Currently it is regulated by NACHA as "REDEPCHECK," the company name (DFAS) and the check number prints on the consumer's bank statement.

7. Can I stop the RCK from being presented against my account?

No, by writing a check at the commissary after having the opportunity to read the notice at the point of sale, the customer agrees that if their check is returned for insufficient or uncollected funds that the check may be collected electronically.

8. Will my bank send the NSF (Non-Sufficient Funds) check back through a second time?

No, under the RCK process if a check fails to clear a customer's account the first time it will be forwarded using the Automated Clearing House process to the central processing center. Remember to allow five to seven business days for the check to reach the clearing house before making inquiries.

9. If I wrote a NSF check at the commissary a few months ago, how would I tell if I am on the bad checklist?

DeCA uses the term "negative check file." Ask the cus-

tomer service department to make an inquiry into the system or call the RCM toll free number at 1-866-893-5015.

10. How will I know when my check writing privileges are suspended?

Customers will know when they receive notification from their bank that the original payment to the commissary was unsuccessful.

11. Once the NSF face value of the check has been electronically collected, can I resume writing personal checks?

Customers can resume check writing at the commissary, 60 days from receipt of their NSF check by the centralized processor, assuming the collection on the face value of the NSF check has been obtained.

12. What if my account does not have sufficient funds to honor the first electronic presentment for the value of the check?

If the first electronic collection attempt on military payday is unsuccessful, a second electronic representation will occur on the next military payday. Presentation dates cannot be altered. If the second attempt is unsuccessful, the Defense Finance and Accounting Service (DFAS), Columbus, Ohio, will start collection action. Check writing privileges are suspended until resolved.

13. What if I already have an outstanding NSF check with the commissary?

All NSF checks written prior to the start of program will be handled under collection procedures at the commissary where the check was written, or after 30 days at DFAS, Columbus, Ohio (1-800-635-6045). Customers will be notified by the commissary or DFAS on the procedures for collection.

14. If I mistakenly write a check on a closed account, or have to stop payment on a check, what will happen?

Checks returned due to a closed account or a "stop payment" request will be forwarded by the central processing center directly to DFAS-Columbus for their collection actions. DFAS will continue to collect the face value of the check, the \$25 DeCA administrative fee and the \$15 DFAS fee. Questions may be addressed to the customer service liaison (see question No. 1). Check writing privileges will be suspended until the situation is resolved.

15. If my bank causes the error, how do I recover the \$25 administrative fee and get off of the negative checklist?

In the event of a bank error, DeCA will follow the standard commercial banking practice, which requires the customer to recover the \$25 administrative fee from their bank. In the event of a documented bank error, DeCA's return check management office will remove the customer's social security number from the negative check database upon receipt of bank notification. It is the customer's responsibility to obtain and provide to this office the bank notification, which must include the customer's name, account, routing and check numbers. The customer or store is to fax or mail this letter to the return check management office. This address is for bank error letters only, not payments. Customers can contact this office between the hours of 6 a.m. and 6:30 p.m. Eastern Time Monday through Friday.